

PUBLIC DISCLOSURE

NOVEMBER 8, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

BOSTON TRUST & INVESTMENT MANAGEMENT COMPANY

ONE BEACON STREET
BOSTON, MA 02108

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting its needs of its entire local community, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **BOSTON TRUST & INVESTMENT MANAGEMENT COMPANY ("Boston Trust" or the "Bank")** prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

Boston Trust & Investment Management Company's performance with regard to CRA was found to be Satisfactory at this time. The Bank is designated as a wholesale institution under Massachusetts General Laws chapter 167, §14 as well as 209 CMR 46.25. Boston Trust's primary business is providing trust and asset management services. Boston Trust also provides personal trust and management services to individual customers. Boston Trust does not extend any forms of credit to retail customers.

From August 2004 through October 2006, Boston Trust had a total of \$119,520 in a variety of qualified investments including municipal bonds to support affordable housing, loan funds, certificates of deposit in Community Development Financial Institutions ("CDFI") and grants to local community development organizations.

Boston Trust's community development service activity is primarily conducted through its Walden Asset Management investment activities. Boston Trust actively solicits clients who desire to have socially responsible investments. Through Walden Asset Management, Boston Trust is able to blend the specific financial and social objectives of its clients. Approximately \$1.5 billion, or one third of assets managed by Boston Trust, is under Walden Asset Management. This service furthers community development within local communities by increasing investment dollars for a group/project by matching potential investors with the community group/project.

Boston Trust does not engage in lending activities. The institution does not currently have any investments in its portfolio that would enable the institution to acquire community development lending credit or recognition.

PERFORMANCE CONTEXT

DESCRIPTION OF INSTITUTION

Boston Trust & Investment Management Company is designated as a wholesale institution under the Massachusetts CRA regulation. Boston Trust & Investment Management Company is an employee owned institution. Boston Trust was previously a subsidiary of Citizens Financial Group, Incorporated (“CFG”), a \$55.3 billion holding company with headquarters in Providence, Rhode Island. CFG is a wholly owned subsidiary of the Royal Bank of Scotland, plc. CFG acquired the institution on January 11, 2000 through the acquisition of UST Corp. Boston Trust was acquired by the employees from CFG in August 2004. The institution’s primary business is providing trust and asset management services. Boston Trust & Investment Management Company does not originate home mortgage, small business, small farm or a consumer loan to retail customers, and it does not accept deposits from the public. As of September 30, 2006, the institution had total assets of \$ 43,649,000.

Boston Trust & Investment Management Company is headquartered at One Beacon Street, Boston, MA and has no branch offices.

Walden Asset Management is a division of Boston Trust, which provides a wide range of investment services specifically for social investors. Some examples of typical investment areas include:

- Environmental concerns
- Affordable Housing
- Fair employment, labor relations and human rights issues, and
- Community involvement

The division also offers a community development investment service to assist clients who want to invest in community development loan funds and/or financial institutions that support organizations working to rebuild distressed communities.

ASSESSMENT AREA

DEMOGRAPHIC AND ECONOMIC DATA

Boston Trust’s assessment area is Suffolk County within the Boston MSA (1120). The assessment area includes a total of 176 census tracts of, which 36 are low-income, 75 moderate-income, 47 middle-income, 17 upper-income and 1 NA. The total population of Boston Trust’s assessment area is 689,807. The total number of households, which make up this population, is 278,776 of which 171,325 households or 63 percent are located within low and moderate-income tracts. Eighteen percent of the households have income below the poverty level.

There are a total of 292,520 housing units in the assessment area. Of the total units, 63 percent are rental, 32 percent are owner occupied and five percent are vacant. Approximately 49.5 percent of all owner occupied units are located within low- and moderate-income census tracts however the majority of available housing units are rental.

PERFORMANCE CONTEXT (CONTINUED)

The HUD updated median family income for Suffolk County for 2006 is \$77,700.

ECONOMY/EMPLOYMENT

Assessment Area

The assessment area of Suffolk County has an estimated population of 689,807 residents. According to October 2006 data, the unemployment rate within the assessment area was 4.8 percent. The overall state level of unemployment in October was 4.2 percent. The annual unemployment rates in Suffolk County for calendar years 2004 and 2005 were 5.9 and 5.4 percent respectively. These rates were higher than the statewide unemployment rates of 5.8 and 5.2 percent.

Boston-Cambridge-Quincy MSA

Boston Trust's assessment area within the Boston-Cambridge-Quincy MSA has a stable economy. The Boston MSA contains most of the low and moderate-income tracts 48 and 163 respectively, within Boston Trust's overall assessment area. The Boston-Cambridge-Quincy MSA is the core of Massachusetts' technology and high education service sectors. The construction trade has also seen a boom in the last few years however has diminished with the near completion the City's Central Artery and Third Harbor Tunnel projects. For October 2006, the unemployment rate within the MSA was estimated at 3.8 percent, slightly below the state level of 4.2 percent.

PERFORMANCE CRITERIA

Community Development

Community Development Lending

Boston Trust does not engage in lending activities. The institution does not currently have any investments in its portfolio that would enable the institution to acquire community development lending credit or recognition.

Qualified Community Development Investments

For the time period covered by this evaluation, August 1, 2004 through October 31, 2006, Boston Trust has invested \$ 119,520 in a variety of qualified investments including municipal bonds to support affordable housing, loan funds, certificates of deposit in Community Development Financial Institutions ("CDFI") and grants to local community development organizations. Boston Trust's qualified investments represent 0.3% of their total assets as of 9/30/06.

Of the \$119,520 invested, approximately \$75,000 was in municipal bonds offered through the Massachusetts Housing Finance Agency which finances affordable housing throughout the Commonwealth including the institutions assessment area. Boston Trust also invested a total of \$20,000 through two separate instruments, in the Boston Community Loan Fund through Boston Community Capital. The loan fund primarily supports affordable housing initiatives however other investments are made for other activities targeted to areas and programs where low income people live and work. Boston Trust's investments are at below market rates and mature between two and four years.

Boston Trust has one certificate of deposit, totaling \$10,000, in a Boston-based CDFI. Additionally, the institution provided \$13,500 in qualified grants to area organizations as well as \$1,020 in matching corporate grants through an employee incentive based program implemented in 2006.

Community Development Services

Boston Trust's primary community development service activity is through its Walden Asset Management investment activities. Boston Trust actively solicits clients who desire to have socially responsible investments. Through Walden Asset Management, Boston Trust is able to blend the specific financial and social objectives of its clients. Approximately \$1.5 billion, or one third of assets managed by Boston Trust, is under Walden Asset Management. This service furthers community development within local communities by increasing investment dollars for a group/project by matching potential investors with the community group/project. Walden waives its management fees for this service (up to 5% of an individual's total portfolio). Through its investment activities and shareholder advocacy, Boston Trust has been able to substantially influence the impact of portfolio companies to improve performance levels and promote strong CRA, community development and fair lending activities. Additionally, officers lend their financial expertise to promote the mission of area non-profit agencies. Those missions include economic development, child education and after school programming as well as adult education.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at One Beacon Street, Boston, MA 02108."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.